

**KINGMAN-NORWICH RECREATION COMMISSION  
KINGMAN, KS**

**FINANCIAL STATEMENT  
WITH  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDING DECEMBER 31, 2015**

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# KINGMAN-NORWICH RECREATION COMMISSION

December 31, 2015

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## **INDEPENDENT AUDITORS' REPORT**

To the Board and Management  
Kingman-Norwich Recreation Commission  
Kingman, KS 67068

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Kingman-Norwich Recreation Commission, a related municipal entity of Unified School District No. 331, Kingman, Kansas, as of and for the year ended December 31, 2015 and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgement, including the assessment of the risks for material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by Kingman-Norwich Recreation Commission to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Kingman-Norwich Recreation Commission as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Kingman-Norwich Recreation Commission as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-agency funds (Schedule 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 and 3 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we rendered an unmodified opinion dated August 6, 2015. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.



Daniel L. Drake, CPA  
Daniel L. Drake, CPA, P.A.

August 19, 2016

# KINGMAN-NORWICH RECREATION COMMISSION

Kingman, Kansas

## Summary Statement of Receipts, Expenditures, and Unencumbered Cash Regulatory Basis

For the Year Ended December 31, 2015

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:						
General	\$ 70,055	\$ 436,407	\$ 436,986	\$ 69,476	\$ 30,937	\$ 100,413
Special Purpose Funds:						
Employee Benefits Fund	13,281	71,100	58,324	26,057	1,085	27,142
<b>Total Reporting Entity</b>	<b>\$ 83,336</b>	<b>\$ 507,507</b>	<b>\$ 495,310</b>	<b>\$ 95,533</b>	<b>\$ 32,022</b>	<b>\$ 127,555</b>
Composition of Cash:						
Checking Accounts						\$ 29,492
Savings						98,063
<b>Total Reporting Entity</b>						<b>\$ 127,555</b>

See Independent Auditor's Report  
The accompanying notes are an integral part of these financial statements.

# **KINGMAN-NORWICH RECREATION COMMISSION**

**Kingman, Kansas**

## **NOTES TO FINANCIAL STATEMENT**

**December 31, 2015**

### **Note 1. Summary of Significant Accounting Policies**

#### **Financial Reporting Entity**

Kingman-Norwich Recreation Commission (Recreation Commission) is a related municipal entity of Unified School District No. 331. The Recreation Commission provides recreational services in and around Kingman and Norwich, Kansas. The Recreation Commission is governed by a five member board appointed by USD No. 331 and is a separate governing body. USD No. 331 levies the taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute K.S.A. 12-1928. The Recreation Commission cannot purchase real property but can acquire real property by gift.

#### **Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America**

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The Recreation Commission has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the Recreation Commission to use the regulatory basis of accounting.

#### **Regulatory Basis Fund Types**

The following categories of funds comprise the financial activities of the Recreation Commission for the year ended December 31, 2015:

General Fund - The chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - This fund is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for the funds specified purpose. The Recreation Commission has a special purpose fund for Employee Benefits.

### **Note 2. Stewardship, Compliance and Accountability**

#### **Budgetary Information**

Kansas statutes require that an annual budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory the statutes provide the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at this time. There were no such budget amendments for this year.

**KINGMAN-NORWICH RECREATION COMMISSION**

**Kingman, Kansas**

**NOTES TO FINANCIAL STATEMENT**

**December 31, 2015**

**Note 2. Stewardship, Compliance and Accountability (continued)**

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or a contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and certain special purpose funds. No such funds exist for the Recreation Commission.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**Noncompliance with Kansas Statutes**

K.S.A. 79-2938 prohibits expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Expenditures exceeded the adopted budget in the General Fund by \$28,390. The excess was primarily created by a lease agreement that was entered into during the year that was not budgeted for. The budget will be adjusted accordingly.

**Note 3. Deposits and Investments**

As of December 31, 2015 the Recreation Commission had no open investment funds.

K.S.A. 9-1401 establishes the depositories which may be used by the Recreation Commission. The statute requires banks eligible to hold the Recreation Commission's funds have a main or branch bank in the county in which the Recreation Commission is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. As of December 31, 2015 the Recreation Commission has established a pledge security with Kanza Bank for \$70,000 for instances where deposits exceed the amount covered under FDIC insurance. The Recreation Commission has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Recreation Commission's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Recreation Commission has no investment policy that would further limit its investment choices.

Concentration of Credit Risk: State Statutes place no limit on the amount the Recreation Commission may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Recreation Commission's deposits may not be returned to it. State statutes required the Recreation Commission's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Recreation Commission has not designated a "peak period." All deposits are legally secured at December 31, 2015.

**KINGMAN-NORWICH RECREATION COMMISSION**  
**Kingman, Kansas**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2015**

**Note 3. Deposits and Investments (continued)**

At December 31, 2015, the Recreation Commission's carrying amounts of deposits was \$127,555 and the bank balance was \$128,808. The bank balance was held by Kanza Bank resulting in a concentration of credit risk. All of the bank balance was covered by federal depository insurance, and none was collateralized with security held by the pledging financial institutions' agents in the Recreation Commission's name.

Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of the failure of the issuer or counter party, the Recreation Commission will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

**Note 4. Defined Benefit Pension Plan**

**General Information about the Pension Plan**

The Recreation Commission participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website [www.kpers.com](http://www.kpers.com) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

K.S.A. 74-4919 and K.S.A. 74-49210 establish KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.48% for the fiscal year ended December 31, 2015. Contributions to the pension plan from the Recreation Commission were \$10,413 for the year ended December 31, 2015.

**Net Pension Liability**

At December 31, 2015 the Recreation Commission's proportionate share of the collective net pension liability reported by KPERS was \$74,502. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The Recreation Commission's proportion of the net pension liability was based on the ratio of the Recreation Commission's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.



**KINGMAN-NORWICH RECREATION COMMISSION**  
**Kingman, Kansas**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2015**

**Note 5. Long Term Debt**

The Recreation Commission has the following Capital Leases as of December 31, 2015.

Lighting Project: On May 1, 2009 the Recreation Commission entered into a long-term lease for the purpose of obtaining a sports lighting system for Riverside Park. The lease is an equipment lease purchase agreement with Kanza Bank. The lease allowed the Recreation Commission to purchase the equipment, subject to terms and conditions of the agreement in the amount of \$382,200. In May of 2013 the Recreation Commission modified the terms of the lease. The new lease agreement resulted in additional advance of \$26,208 to the outstanding balance and changed the interest rate from 5% to 4%. In addition, the life of the loan was extended and will now end on June 1, 2023 instead of May 5, 2019. Total interest paid for the year was \$9,686.

<u>Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beg. of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>
<b>Capital Leases:</b>						
Lighting Project, 4% interest, issued 5/1/2009.	\$ 382,200	06/01/23	\$ 254,266	\$ -	\$ 25,315	\$ 228,951

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows for the Lighting Project:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 26,650	\$ 8,673	\$ 35,323
2017	27,736	7,587	35,323
2018	28,866	6,457	35,323
2019	30,042	5,281	35,323
2020	31,266	4,057	35,323
2021-2023	84,391	4,456	88,847
<b>Total</b>	<b>\$ 228,951</b>	<b>\$ 36,511</b>	<b>\$ 265,462</b>

**Note 6. Other Long-Term Obligations from Operations**

Other Post Employment Benefits: As provided by K.S.A. 12-5040, the Recreation Commission allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually the Recreation Commission is subsidizing the retirees because each participant is charged a level of premium regardless of their age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act, the Recreation Commission makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences: The Recreation Commission's compensated absence policy permits employees five sick days per year and two weeks paid vacation. Employees are allowed to carryover unused sick time, but must use vacation in the year that it is awarded.

**KINGMAN-NORWICH RECREATION COMMISSION**  
**Kingman, Kansas**  
**NOTES TO FINANCIAL STATEMENT**  
**December 31, 2015**

**Note 7. Operating Leases**

The Recreation Commission have an operating lease agreement for a lease of the building at 5581 SW 50th St., Kingman KS. The lease runs from September 1, 2015 to September 1, 2016 and payments are due annually for \$17,500 by February 1, 2016. Total rent paid or encumbered was \$17,500 for the year ended December 31, 2015.

**Note 8. Subsequent Events**

Management has evaluated the effects of the financial statement for subsequent events occurring through August 19, 2016 which is the date at which the financial statements were available to be issued. A subsequent event was identified by the Recreation Commission. A building that the Recreation Commission is leasing at 5581 SW 50th Kingman, KS will be donated to the Recreation Commission. As of the date of management review the donation has not been completed, and terms of the donation will be recognized in a future period.

**KINGMAN-NORWICH RECREATION COMMISSION  
REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**KINGMAN-NORWICH RECREATION COMMISSION**  
**Kingman, Kansas**  
**Summary of Expenditures - Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2015**

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current year</u>	<u>Variance- Over (Under)</u>
General Funds:					
General	\$ 408,596	\$ -	\$ 408,596	\$ 436,986	\$ 28,390
Special Purpose Funds:					
Employee Benefits Fund	65,434	-	65,434	58,324	(7,110)

See Independent Auditor's Report

**KINGMAN-NORWICH RECREATION COMMISSION**  
**Kingman, Kansas**  
**General Fund**  
**Schedule of Receipts and Expenditures, Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)**

		<u>2015</u>		<u>Variance</u>
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
<b>Receipts</b>				
<b>Taxes and Shared Receipts:</b>				
Ad Valorem Property Tax	\$357,054	\$366,048	\$353,742	\$ 12,306
Reimbursed Expenses	56,819	43,346	33,500	9,846
Interest	-	370	100	270
Net Pool Receipts	26,638	26,643	21,000	5,643
<b>Total Receipts</b>	<u>\$440,511</u>	<u>\$436,407</u>	<u>\$408,342</u>	<u>\$ 28,065</u>
<b>Expenditures</b>				
Personnel Services	135,627	171,654	\$158,000	\$ 13,654
Contractual Services	12,884	14,187	25,042	(10,855)
Commodities	45,679	58,393	28,397	29,996
Capital Outlay	78,030	95,158	90,089	5,069
Recreation Programs	34,618	28,247	37,800	(9,553)
Net Pool Expenditures	31,791	12,264	30,204	(17,940)
Pool Reimbursements	(22,881)	-	-	-
Lease Principal	43,652	47,272	25,619	21,653
Lease Interest	10,790	9,686	9,704	(18)
Miscellaneous	2,266	125	3,741	(3,616)
<b>Total Expenditures</b>	<u>372,456</u>	<u>436,986</u>	<u>\$408,596</u>	<u>\$ 28,390</u>
Receipts Over (Under) Expenditures	68,055	(579)		
Unencumbered Cash, Beginning	2,000	70,055		
Unencumbered Cash, Ending	<u>\$ 70,055</u>	<u>\$ 69,476</u>		

See Independent Auditor's Report

**KINGMAN-NORWICH RECREATION COMMISSION**  
**Kingman, Kansas**  
**Employee Benefit Fund**  
**Schedule of Receipts and Expenditures, Actual and Budget**  
**Regulatory Basis**  
**For the Year Ended December 31, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)**

	<u>2014</u>	<u>2015</u>		
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over (Under)</u>
<b>Receipts</b>				
<b>Taxes and Shared Receipts:</b>				
Ad Valorem Property Tax	\$ 64,515	\$ 71,100	\$ 70,748	\$ 352
<b>Total Receipts</b>	<u>64,515</u>	<u>71,100</u>	<u>\$ 70,748</u>	<u>\$ 352</u>
<b>Expenditures</b>				
Payroll Taxes	12,041	12,579	\$ 14,000	\$ (1,421)
Retirement	11,253	10,442	9,500	942
Worker's Compensation Insurance	2,643	1,458	2,500	(1,042)
Liability Insurance	-	647	5,250	(4,603)
Health Insurance	27,056	28,493	32,650	(4,157)
Errors and Omissions	5,410	4,705	1,534	3,171
<b>Total Expenditures</b>	<u>58,403</u>	<u>58,324</u>	<u>\$ 65,434</u>	<u>\$ (7,110)</u>
Receipts Over (Under) Expenditures	6,112	12,776		
Unencumbered Cash, Beginning	7,169	13,281		
Unencumbered Cash, Ending	<u>\$ 13,281</u>	<u>\$ 26,057</u>		

See Independent Auditor's Report